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SUBJECT: Defendant Testifies on Relationship with A.Q. Khan in
Export Control Trial

REF: A. 07 BERLIN 2239
[1](#)B. 06 BERLIN 2194
[1](#)C. 06 BERLIN 1170
[1](#)D. 08 Frankfurt 1817

Sensitive but unclassified; not for internet distribution.

[1](#)1. (SBU) SUMMARY: In the ongoing trial of Gotthard Lerch, the defendant unexpectedly testified in his own defense on July 11, denying any role in the activities of Pakistani nuclear scientist A.Q. Khan. Lerch said he agreed to speak in his own defense after reading an avalanche of false accusations in the media, which have portrayed him as a "merchant of death." Efforts by his attorney to have the public removed from the courtroom were rejected by the presiding judge. END SUMMARY.

LERCH REVERSES DECISION NOT TO TESTIFY

[1](#)2. In an unexpected move, Gotthard Lerch testified in his own defense before the fourth senate of the Higher Regional Court in Stuttgart on July 11. The 55-year old engineer reversed his earlier decision, saying that he wanted to correct misleading and malicious press reports. He pointed to one newspaper headline that characterized him as a "merchant of death." Lerch is accused of aiding the Libyan government in its efforts to acquire nuclear weapons technology (see reftels).

[1](#)3. Lerch testified that he had been employed at Leybold-Heraeus in Hanau, Germany from 1972-85 and that A.Q. Khan had been among a Pakistani delegation that visited the firm in 1976. Lerch said that several members of the delegation had been educated or had received training in nuclear technology in Germany. Leybold-Heraeus negotiated an agreement to sell vacuum technology to Pakistan, to be used to develop nuclear energy. As a result, Lerch and others traveled numerous times to Pakistan between 1977 and 1981. Lerch said he traveled there twice a year to provide technical advice while sales contracts were finalized. He admitted that in the course of these visits he got to know A.Q. Khan, however, he rejected allegations that he had established an exceptionally close relationship with Khan.

NO KNOWLEDGE OF NATURE OF DEALS

[1](#)4. Lerch denied any specific knowledge about the nature of the business deals, arguing that the sales contracts were handled by the sales department of Leybold Heraeus. Prosecutor Wolfgang Siegmund asked if Lerch ever had doubts about the intentions of the Pakistanis, prompting Lerch to respond that it never crossed his mind that he was doing anything more than developing nuclear energy technology. Lerch failed to explain how he could have no knowledge of the nature of the deals while at the same time

providing technical advice on the sales items.

¶5. During the testimony, Lerch's attorney, Gottfried Reims, repeatedly asked to have the public expelled from the courtroom, arguing that his client would reveal sensitive information in the course of the trial. The requests were rejected. Lerch will testify on his career after 1985 in subsequent testimony.

¶6. COMMENT: During a conversation with the Federal Prosecutor's Office in Karlsruhe, a Congen representative learned that the trial will continue to be open to the public and that the requests for a non-public hearing are regarded as a tactic to delay progress of the trial. Lerch's own decision to testify after earlier claims that he would not reveals a change in strategy, although it has not yet been of clear benefit to his defense. END COMMENT.

¶7. This cable was coordinated with Embassy Berlin.
POWELL